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Letter dated 31 July 2002 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism addressed to the President of the Security Council

I write with reference to my letter of 12 April 2002 (S/2002/464).

The Counter-Terrorism Committee has received the attached supplementary report from Saudi Arabia, submitted pursuant to paragraph 6 of resolution 1373 (2001) (see annex).

I should be grateful if you would arrange for this letter and its annex to be circulated as a document of the Security Council.

(*Signed*) Jeremy **Greenstock**
Chairman
Security Council Committee established pursuant to resolution 1373 (2001)concerning counter-terrorism

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Annex

Letter dated 10 July 2002 from the Permanent Representative of Saudi Arabia to the United Nations addressed to the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

[Original: Arabic]

I have the honour to transmit to you herewith a report from the Government of the Kingdom of Saudi Arabia, submitted pursuant to paragraph 6 of Security Council resolution 1373 (2001) of 28 September 2001, in response to the comments of the Counter-Terrorism Committee.

(*Signed*) Fawzi Bin Abdul Majeed **Shobokshi**
Ambassador
Permanent Representative

Enclosure

Report of the Kingdom of Saudi Arabia in response to the comments contained in the letter dated 18 April 2002 from the Chairman of the Security Council Committee established pursuant to resolution 1373 (2001) concerning counter-terrorism

[Original: Arabic]

Subparagraph 1 (a):

• Could Saudi Arabia please outline any legislative changes or new practical measures introduced since the adoption of the Resolution.

The measures introduced since the adoption of the resolution include the signing by the Government of Saudi Arabia, on 29 November 2001, of the International Convention for the Suppression of the Financing of Terrorism. A standing committee of the relevant State agencies has also been established to consider requests relating to counter-terrorism that are submitted by States, international organizations and other entities in the light of the Security Council resolutions relating to counter-terrorism. One contact point has been designated in the Ministry of Foreign Affairs and another at the Permanent Mission to the United Nations, in accordance with the programme of work of the Counter-Terrorism Committee and with a view to fostering international cooperation in countering terrorism and implementing resolution 1373 (2001).

• Please outline the legislation and procedures which exist for monitoring suspicious financial transactions, apart from the recent regulations related to the UN lists of terrorists. What are the vigilance (transaction-reporting) obligations of financial intermediaries, including those outside the financial sector (e.g. lawyers), that contribute to the prevention of economic and financial operations with terrorist or other criminal aims? What are the penalties which may be incurred, and have any already been imposed?

Saudi Arabia has had procedures for monitoring suspicious financial transactions, based on the instructions issued by the Saudi Arabian Monetary Agency (SAMA), since before the incidents of 11 September 2001. The measures taken by SAMA include requiring local banks and money changers to report suspicious financial transactions to the security agencies and financial authorities. No financial operations with terrorist aims have thus far come to light in the country. In the case of other criminal aims, each crime has its penalty in accordance with the statute that governs it.

• Does Saudi Arabia have, or propose to enact, a Money-laundering Law?

Saudi Arabia is making major and perceptible efforts to counter money-laundering activities in all economic sectors and in the field of international and regional cooperation. The measures it has taken include:

1. Issuance of the regulations required for the implementation of the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances;

2. Approval of the Forty Recommendations adopted by the Financial Action Task Force on Money Laundering (FATF) in 1999;

3. Formation of a standing committee of a number of governmental agencies, the Anti-Money-Laundering Committee, to be responsible for handling all matters connected with money laundering.

• Please provide a progress report on the establishment of the financial intelligence unit and an outline of its composition and activities.

There is a financial investigations unit that is concerned with international economic and financial crimes and is based in the Ministry of the Interior. The unit has branches throughout the country, and its function is to receive reports from banks and other financial institutions concerning suspicious financial transactions, to trace their sources and to investigate them with a view to applying the relevant statute to them.

• Do the regulations issued by the Saudi Arabian Monetary Agency (SAMA) have the force of law?

SAMA is an executive agency that supervises banks and other financial institutions in the country in accordance with the SAMA Statute promulgated by Royal Decree No. 23 of 23 Jumada I A.H. 1377 and the Bank Supervision Statute promulgated by Royal Decree No. 5 of 22 Jumada II A.H. 1386, which together constitute the law in force. SAMA frames the regulations governing banking activities in accordance with the provisions of the two statutes indicated.

Subparagraph 1 (b):

• It is not clear from the report what legal or other provisions exist in Saudi Arabia for the suppression of the financing of terrorism. Please outline any such provisions.

For its statutes, the Kingdom of Saudi Arabia relies on Islamic law. The financing of terrorism falls into the category of "spreading evil on earth" (*al-ifsad fi al-ard*). This may incur the non-discretionary *hadd* penalty for hirabah (brigandage), which can sometimes mean the application of the death penalty. Saudi Arabia has ratified the 1998 Arab Convention for the Suppression of Terrorism and the 1999 Convention of the Organization of the Islamic Conference on Combating International Terrorism. By article 3 of each of these conventions, contracting States undertake not to organize, finance or commit terrorist acts, and the two conventions have become part of the Kingdom's domestic legislation. Saudi Arabia is also one of the signatories of the International Convention for the Suppression of the Financing of Terrorism.

• Could Saudi Arabia please provide information on any successful prosecutions involving the provision of financial assistance for the carrying out of terrorist acts, whether within or outside the territory of Saudi Arabia?

There have been no successful prosecutions involving the provision of financial assistance for the carrying out of terrorist acts, whether within or outside the territory of Saudi Arabia.

Subparagraph 1 (c):

• It is noted that Saudi Arabia has a body, the SAMA, which can freeze bank accounts in certain circumstances. Are there any generally applicable procedures for the freezing and provisional seizure of criminal funds and assets

for offences relating to terrorism and its financing? Please distinguish between freezing and seizure occurring in the course of investigations and confiscation or forfeiture ordered upon sentencing.

In the absence of a precise and unequivocal definition of terrorism endorsed by the international community, in Saudi Arabia measures for the freezing and seizure of funds can only be taken in accordance with specific statutory procedures and on the basis of a request from the Minister of the Interior addressed to the Minister of Finance and National Economy. Confiscation may only take place on the basis of a judgement issued by a competent court against a perpetrator, and all requests for seizure and confiscation are addressed to SAMA as the agency that supervises and monitors banks.

• Could Saudi Arabia please indicate how, and by what authorities, these procedures are carried out. In particular, what practical mechanisms are in place for acting upon suspicious money transfers?

As part of the practical mechanisms in place for acting upon suspicious money transfers, SAMA has required banks and other financial institutions to report any suspicious financial transactions to the relevant security authorities, using a standard reporting form and providing SAMA with a copy, so that those authorities can take the appropriate steps.

Subparagraph 1 (d):

• It is noted that Saudi Arabia has specific provisions to ensure that funds intended for the financing of terrorism are not transferred through charitable, religious or cultural organizations. Please provide more information about:

- **the respective roles of the Ministry of Justice and Social Affairs and the High Committee on Fund-raising in dealing with this task, their powers and the actions that have been taken by them; and**
- **the mechanisms for verifying that the end use of funds is as specified by the organizations when the transfers are originally made.**

The Ministry of Justice has no role with respect to fund-raising, and it is the Ministry of Labour and Social Affairs that grants permits to charitable associations. No entities or individuals other than charitable associations registered with the Ministry and under its supervision may collect contributions, and they must do so in accordance with the monitoring procedures to ensure that funds are collected properly and are passed on to beneficiaries inside the country.

The role of the High Committee on Fund-raising is restricted to approving the transfer abroad of funds collected for charitable purposes in Saudi Arabia.

The mechanisms for verifying that the end use of funds is as specified by the organizations when the transfers are originally made are the procedures for monitoring movements in the associations' accounts and the auditing of their annual budgets by certified public accountants. For many years the agency concerned has required operations involving the revenues and expenditures of charitable associations to be conducted only by cheque and on the basis of formal receipts. A charitable association is also obliged to serve the areas of the country specified in its founding statute, that is to say that a charitable association may not make disbursements for beneficiaries in areas of the country other than those covered by

its services. The Charitable Associations Regulation provides that the activities of these associations are restricted to the country itself.

• Could Saudi Arabia please provide a detailed outline of its anti-terrorist legislation. Please also make clear, in particular, what types of acts preparatory to an act of terrorism are criminalized by laws of Saudi Arabia, and outline the relevant laws.

Reference has already been made, in the response under subparagraph 1 (b), to the country's counter-terrorism legislation. Saudi Arabia has also become a party to a number of international, regional and bilateral agreements in the counter-terrorism field. In the country's statutes, the acts preparatory to an act of terrorism that are criminalized are those such as the provision or collection of funds for use in acts of terrorism and assistance in or incitement to commit acts of terrorism.

• Does Saudi Arabia have any provisions for regulating alternative money transfer agencies (such as those known as "hawala")? Please outline these provisions.

The bank monitoring regime in Saudi Arabia regards "hawala" as one of the banking services that only banks are permitted to provide. Such services outside the banking sector are criminalized and those who perform them are subject to a fine, or imprisonment for a term of two years, or both.

Subparagraph 2 (a):

• Please provide a detailed outline of the legislation aimed at prohibiting the establishment of paramilitary groups in Saudi Arabia. Please outline any legislation aimed at prohibiting or limiting the acquisition or possession of weapons both within and outside Saudi Arabia.

The 1981 Arms and Ammunition Statute and its implementing regulation impose tight restrictions on the manufacture, importation, sale, possession, circulation and acquisition of weapons and ammunition in Saudi Arabia. This has helped ensure that there are no paramilitary groups in the country.

Subparagraph 2 (b):

• Does Saudi Arabia have a body that specializes in counter-terrorism, or is this the responsibility of a number of departments or agencies? In the latter case, how is coordination between the various entities effected?

Saudi Arabia has two agencies to which counter-terrorism tasks are assigned. They are the General Information Service (Jihaz al-Istikhbarat al-Ammah) and the Ministry of the Interior, as represented by General Intelligence (Al-Mabahith al-Ammah). Coordination between these two entities is effected as follows:

(a) Holding of periodic meetings between officials of the two entities concerned with counter-terrorism;

(b) Exchange of information on counter-terrorism and ongoing contacts and consultation in this regard.

• Does each agency define its strategy independently, or does it carry out measures that have been established at a higher level? Who determines that policy and, if applicable, the distribution of tasks among agencies?

Each agency defines its strategy independently in the light of the general policy laid down for both of them by the Council of Ministers, [which also determines] the distribution of counter-terrorism tasks assigned to each agency.

• Beside exchange of information, are other steps being taken to prevent the commission of terrorist acts in accordance with the Resolution?

Among the steps being taken by Saudi Arabia to prevent the commission of terrorist acts are its participation in the Arab expert group meeting held at the headquarters of the League of Arab States on 13 January 2002 to examine Security Council resolution 1373 (2001). The report and recommendations adopted by the expert group were endorsed by the Arab Summit Conference held in Beirut on 10 March 2002. Saudi Arabia has designated one contact point at the Ministry for Foreign Affairs and another at the Permanent Mission to the United Nations in New York with a view to facilitating international cooperation in confronting terrorism and the implementation of resolution 1373 (2001). On the basis of the relevant lists established by the Security Council, Saudi Arabia freezes the funds, financial assets and economic resources of persons who commit acts of terrorism.

• Please explain whether there is any mechanism to provide early warning to other countries on terrorist acts that could be committed in the countries concerned.

• Could Saudi Arabia please describe its action in the field of police cooperation.

Saudi Arabia is committed to promoting the concept of security cooperation with all States through bilateral, regional and international agreements and the principle of reciprocity in matters relating to counter-terrorism.

Subparagraph 2 (c):

• Please outline the main provisions of Saudi Arabia's legislation relating to immigration control and the granting of the right of asylum, and indicate how criminal groups are prevented from abusing those provisions. Please also outline the conditions for the issuance of identity documents, particularly passports, to aliens.

The Residence Statute provides that the admission of an alien to the Kingdom shall be regarded as lawful only if he is in possession of a valid passport issued by the government of his country or a document that the Government of Saudi Arabia considers to be the equivalent of a passport. He may not enter the country or reside in or pass through its territory unless his valid passport or travel document bears an entry visa granted by the overseas consular or diplomatic authorities of Saudi Arabia and it is ascertained that the document in question bears no entries that might prevent such admission, residence or transit.

Saudi Arabia's Basic Law of Government (Constitution) also stipulates that the State grants the right of political asylum only when the public interest so requires.

The Residence Statute contains provisions to prevent its abuse by criminal groups, one such being that in all cases where an alien is permitted to enter, pass through or travel or reside in the country he must not be a person regarded as undesirable.

In connection with procedures for the issuance of passports to aliens, the Travel Documents Statute provides that the Minister of the Interior may, in case of need, issue a temporary passport or laissez-passer to any person who does not have Saudi citizenship to be used for travel outside the country and re-entry. The implementing regulation specifies the cases in which such documents may be issued and withdrawn and where a wife and children may be added to them. The Travel Documents Statute also provides that a Saudi Arabian passport is granted to a person who does not have Saudi nationality in order to facilitate his overseas travel and subsequent re-entry and that it does not mean that the bearer has the rights of a Saudi citizen or that it can be accepted as proof of identity inside the country for action on that basis. For a Saudi passport to be granted to an alien it must be ascertained:

1. That the status of the resident is regular;
2. That the information to be entered in the Saudi Arabian passport accords with that in the foreign passport;
3. That the Saudi passport is retrieved from the alien on expiry or when instructions are given for its withdrawal;
4. That the foreign passport is withheld when the Saudi passport is granted;
5. That the alien to whom a Saudi passport is granted gives an undertaking not to use it for any purpose other than overseas travel, given that the passport is only a means to facilitate his movement from one country to another, and that he is to be held accountable for any contravention.

Subparagraph 2 (e):

• What is the extent of the competence of the courts of Saudi Arabia to deal with terrorist acts, or preparations for terrorist acts, that occur outside its territory?

The courts of Saudi Arabia are competent to deal with all crimes, including terrorist crimes and attempts to commit acts of terrorism. The question of terrorist acts, or preparations for terrorist acts, that occur outside its territory falls within the scope of the relevant bilateral, regional and international agreements.

• Are the relevant provisions of the Penal Code of Saudi Arabia applicable in all of the following circumstances:

- **acts committed outside Saudi Arabia by a person who is a citizen of, or habitually resident in, Saudi Arabia (whether that person is currently present in Saudi Arabia or not);**
- **acts committed outside Saudi Arabia by a foreign national who is currently in Saudi Arabia?**

Should a citizen of Saudi Arabia commit terrorist acts outside its territory and should he currently be present outside the country, the Kingdom would seek his extradition for trial in accordance with the relevant bilateral, regional or international agreements. Should such a person be present in Saudi Arabia, he would be brought to trial when it was determined that he had committed acts of terrorism under the statute in force in the country.

In the case of a resident who commits acts of terrorism outside the country, the Kingdom would not seek to bring him to trial since he is not a citizen of the country. In the event that a resident commits a crime outside the country, returns to the country and is sought by the other State, Saudi Arabia would consider extraditing him to the requesting State in accordance with existing agreements between it and that State.

In the case of an alien who commits acts of terrorism outside Saudi Arabia, the Kingdom would not seek to bring him to trial since he is not a citizen of the country. If an alien commits a crime outside Saudi Arabia, is currently present in the country and is sought by the other State, Saudi Arabia would consider his extradition to the requesting State in accordance with the agreements it has with that State.

Subparagraph 3 (b):

• Please clarify whether Saudi Arabia has any legislation for providing mutual assistance to other countries in regard to criminal investigations and judicial proceedings, and outline the content of the legislation.

Saudi Arabia's bilateral agreements on security cooperation, counter-terrorism and the extradition of suspects and convicted persons contain provisions for the exchange of names of citizens of either party who are convicted of serious crimes or are in preventive detention in connection with serious crimes. They provide for assistance with the investigation and prosecution of cases in either of the two countries where an accused person, a witness or a victim is present in the territory of the other party.

• To what bilateral or multilateral agreements in the field of judicial assistance and extradition is Saudi Arabia a party? What are the legal procedures required by Saudi Arabia for the execution of a request by another country for assistance or extradition?

Saudi Arabia has become a party to a number of bilateral, regional and international agreements on the provision of assistance to other States in criminal investigations and judicial proceedings.

The bilateral agreements in the field of judicial assistance and extradition include:

Agreements on security cooperation and the extradition of offenders between Saudi Arabia and States members of the Gulf Cooperation Council;

Agreements on security cooperation with a number of other Arab countries.

The regional and international agreements in the field of judicial assistance and extradition are as follows:

Riyadh Agreement on Judicial Cooperation;

Security Agreement between the States members of the Gulf Cooperation Council;

Arab Convention for the Suppression of Terrorism, 1998, which has a separate section identifying aspects of judicial cooperation among States members of the League of Arab States in matters relating to counter-terrorism;

Convention of the Organization of the Islamic Conference on Combating International Terrorism, 1999;

Nine of the international counter-terrorism conventions.

The legal procedures required by Saudi Arabia for the execution of a request by another country for assistance or extradition depend on the agreement (international, regional or bilateral) it has signed with other States as well as on reciprocity.

Extradition procedures are as follows:

A written request is submitted to the competent authority in Saudi Arabia through the diplomatic channel together with an extradition dossier with the following enclosures, certified by the competent authority:

1. A detailed statement of the identity of the person whose extradition is being sought, including his description and nationality and, if possible, a photograph;

2. The arrest warrant for the person whose extradition is being sought or any other document having the same legal force issued by the competent authorities; or the original or an official copy certified by the competent authorities of the party requesting extradition of the verdict rendered in accordance with the conditions established by the law of the requesting party;

3. A memorandum giving the date and place the acts for which extradition is being sought were committed, their description and the legal and statutory provisions applicable to them, together with a certified copy of the relevant texts, a summary of the depositions that were taken and a statement by the investigating authority of the evidence against the person whose extradition is being sought.

Judicial assistance is given in the following manner:

The ministries of justice of Saudi Arabia and the other contracting party receive requests for cooperation in the matters where assistance is being sought and each ministry designates a competent authority:

1. To take receipt of and follow up on the [request for] judicial assistance where the requesting party is not resident in the requested State;

2. To take receipt of the letters rogatory sent to it by the judicial or other competent authority of the other State for execution;

3. To take receipt of the requests for depositions and service of documents sent to it by the competent authority of the other State for execution.

Subparagraph 3 (c):

• Could Saudi Arabia please provide particulars of the extradition and mutual legal assistance treaties that Saudi Arabia has concluded, and is negotiating, with other countries?

Reference has already been made to the extradition and mutual legal assistance treaties Saudi Arabia has concluded with other countries. There may be a specific

treaty on the extradition of offenders or judicial cooperation, or questions of extradition and mutual assistance may be addressed in other agreements such as those on counter-terrorism and security cooperation.

Subparagraph 3 (d):

• The CTC would welcome a report, in relation to the relevant international conventions and protocols relating to terrorism, on the progress made by Saudi Arabia in:

- **becoming a party to the instruments to which it is not yet a party; and**
- **enacting legislation, and making other necessary arrangements, to implement the instruments to which it has become a party.**

There are only three international conventions relating to terrorism to which Saudi Arabia is not yet a party, and they are currently before a special inter-agency committee for consideration. They are as follows:

1. Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents, 1973;
2. Convention on the Physical Protection of Nuclear Material, 1980;
3. International Convention for the Suppression of Terrorist Bombings, 1997.

In connection with the enactment of legislation and the adoption of other necessary arrangements to implement the instruments to which it has become a party, the situation is that after Saudi Arabia accedes to any instrument a royal decree is issued endorsing that instrument and communicating it to the relevant authorities for implementation and appropriate action.

Subparagraph 3 (e):

• Please outline the provisions of domestic law which give effect to the seven international conventions and protocols relating to terrorism to which Saudi Arabia is already a party, as mentioned in the report.

All of the international conventions and protocols relating to terrorism to which Saudi Arabia has become a party are endorsed by royal decree after consideration by the Council of Ministers and the Shura (Consultation) Council. They are then referred to the authorities concerned to be implemented by each in its own area of jurisdiction. By virtue of such a royal decree the instrument in question becomes part of the Kingdom's domestic legislation.

• Have the offences set forth in the relevant international conventions and protocols been included as extraditable offences in the bilateral extradition treaties to which Saudi Arabia is party?

Saudi Arabia incorporates in its bilateral extradition treaties a provision relating to counter-terrorism, and either party to the treaty may request extradition when an offence relating to terrorism has been committed.

Subparagraph 3 (g):

• Please could Saudi Arabia outline the legislation, procedures and mechanisms in place, or proposed, to give effect to these subparagraphs.

Reference has already been made, in the reply under subparagraph 1 (a) in the present report, to the procedures and mechanisms in place. They include the formation of a standing committee of the agencies relevant to counter-terrorism, and the implementation of these subparagraphs has been assigned to that committee.

• Is political motivation recognized as a ground for refusing requests for the extradition of alleged terrorists?

Saudi Arabia complies with the provisions of the international, regional and bilateral counter-terrorism and extradition agreements to which it is a party in accordance with Islamic law, which is the basis of its system of governance. Offences relating to terrorism and the intimidation of innocent people are crimes punishable by law even if they are committed for political purposes or have political motives.

Paragraph 4:

• Has Saudi Arabia addressed any of the concerns expressed in paragraph 4 of the Resolution?

Among the measures already taken by Saudi Arabia to address the concerns expressed in paragraph 4 of the resolution are that it has become a party to a number of agreements, including the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances and the 2000 United Nations Convention against Transnational Organized Crime. In 1998 it also promulgated the regulations required for the implementation of the former Convention. Saudi Arabia has endorsed the Forty Recommendations adopted by FATF in 1999, and it has also approved its eight Special Recommendations concerning the financing of terrorism and charitable associations. It is in the course of promulgating a money-laundering statute. Saudi Arabia watches its borders, seaports and airports and subjects the entry of nuclear, chemical and biological materials and toxic gases to effective monitoring.

[Other matters:

• Could Saudi Arabia please provide an organizational chart of its administrative machinery, such as police, immigration control, customs, taxation and financial supervision authorities, established to give practical effect to the laws, regulations and other documents that are seen as contributing to compliance with the Resolution.]